FINAL SIGNED

FRANCHISE AGREEMENT
BETWEEN THE CITY OF BIGGS
AND
USA WASTE OF CALIFORNIA, INC.

This Franchise Agreement ("Franchise Agreement" or "Agreement") is entered into as of the Effective Date, as defined below, by and between the City of Biggs ("City") and USA Waste of California, Inc. ("WM"), for the collection, transportation, and disposal of solid waste. City and WM may be referred to herein collectively as the "Parties" or individually as a "Party."

RECITALS

WHEREAS, WM has represented and warranted to City that it has the experience, responsibility, and qualifications to arrange with residents, commercial, industrial, institutional and other entities in the franchise area for the collection and safe transport to disposal or processing facilities of Garbage, Green Waste and Recyclable Materials, and City determines and finds that the public interest, health, safety and well-being would be best served if WM were to perform these services; and

WHEREAS, City declares its intention of maintaining reasonable rates for reliable, proven collection, transportation, disposal and processing of Solid Waste within the area covered by this grant of franchise.

NOW, THEREFORE, in consideration of the covenants and promises contained herein, the Parties mutually agree to the following terms and conditions:

1. **Definitions**.

1.1. "Effective Date" means the latest date on which this Agreement is executed, as set forth on the signature page hereto.

1.2. "Force Majeure" means acts of God including landslides, lightning, forest fires, storms, floods, freezing and earthquakes, civil disturbances, strikes, lockouts or other industrial disturbances, acts of the public enemy, wars, blockades, public riots, breakage, explosions, accident to machinery, equipment or materials, unavailability of required materials or disposal site, governmental restraint, pandemics, epidemics, or other causes, whether of the kind enumerated or otherwise, which are not reasonably within the control of the party affected by the Force Majeure event.

1.3. "Franchise Area" means: (i) the entire territory included within the City limits as of the Effective Date of this Agreement; and (ii) such additional area as may thereafter become included with the City limits from time to time due to annexation, incorporation or other means.

1.4. "Garbage" means Solid Waste that has been placed in a container for collection with the

intention that it be disposed. Garbage does not include Green Waste or Recyclable Materials which has been separated by the generator from Solid Waste for the purpose of diversion.

1.5. "Green Waste" means grass clippings, leaves, hedge trimmings, small branches and similar vegetative waste generated at residential property from landscaping activities (but does not include stumps or similar bulky wood materials), and which has been separated by the generator from other Solid Waste and placed in a container or otherwise prepared for collection and subsequent diversion. Green Waste shall not include commingled materials that contain five percent (5%) or more of non-Green Waste (i.e., it shall be considered Garbage).

1.6. "Hazardous Waste" means (i) all waste defined or characterized as hazardous by the federal Solid Waste Disposal Act (42 U.S.C. §§ 3251 seq.), as amended, including the Resource Conservation and Recovery Act of 1976 (42 U.S.C. §§6901 et seq.) and all future amendments thereto, or regulations promulgated thereunder and (ii) all waste defined or characterized as hazardous by the principal agencies of the State of California having jurisdiction (including without limitation the Department of Health Services, the Regional Water Quality Control Board and the Integrated Waste Management Board). Hazardous Waste shall not include incidental Household Hazardous Waste or Small Quantity Generator Waste which is commingled with Solid Waste.

1.7. "Pass Through Expenses" means (i) surcharges, fees, assessments or truces levied by federal, state or local regulatory authorities or other governmental entities upon the collection or disposal of Solid Waste, (ii) increases in fuel costs after the Effective Date and/or (iii) increases in landfill disposal costs after the Effective Date.

1.8. "Recyclable" or "Recyclable Material" means the materials described as such in Exhibit A which has been separated by the generator from other Solid Waste and placed in a container or otherwise prepared for collection and subsequent diversion. Recyclable Materials shall not include commingled materials that contain five percent (5%) or more of non-Recyclable Material (i.e., it shall be considered Garbage).

1.9. "Solid Waste" means all putrescible and nonputrescible solid, semi-solid, and liquid wastes, including residential, industrial, commercial, community and municipal garbage, trash, refuse, paper, rubbish, ashes, demolition and construction wastes, discarded home and industrial appliances, manure, vegetable or animal solid and semi-solid wastes, and other discarded solid and semi-solid wastes. The term "Solid Waste" as used herein does not include: Unacceptable Waste; designated waste or contaminants which may be injurious to personnel engaged in solid waste handling, including but not limited to infectious waste, acids, explosives, radioactive material and septic tank pumping; dead animals; large mechanical devices; nor any materials that are, or in the future become, prohibited from receipt, handling or disposal by state, federal or local law, regulation, rule, code, ordinance, order, permit or permit condition.

1.10. "Unacceptable Waste" means any waste tires, radioactive, volatile, corrosive,

flammable, explosive, biomedical, infectious, bio-hazardous, regulated medical or hazardous waste, toxic substance or material, as defined by, characterized or listed under applicable federal, state, or local laws or regulations, any materials containing information protected by federal, state or local privacy and security laws or regulations (unless tendered to WM pursuant to a separate agreement), or any material the acceptance or handling of which would cause a violation of any permit condition or legal or regulatory requirement, damage to WM's equipment of facilities, ore present a substantial endangerment to the health or safety of the public or WM's employees. Title to and liability for Unacceptable Waste shall remain with the generator at all times.

2. **Exclusive Right; Exclusion**. The City does hereby grant to WM and WM shall have the exclusive duty, right and privilege to collect and dispose or otherwise handle all Solid Waste generated, deposited, accumulated or otherwise coming to exist in the Franchise Area, including Garbage, Green Waste and Recyclable Material. All commercial, industrial and residential premises and community activities within the Franchise Area shall be required by City to utilize the collection services of WM provided hereunder. Nothing in this Agreement shall prevent any owner, occupant or tenant of premises from personally handling, hauling, or transporting Solid Waste generated by or from his/her own residence or business operations for purposes of disposing of the same at an authorized disposal area or transfer station (if allowed by City ordinance), nor shall anything in this Agreement affect or limit the right of any person to sell any Green Waste or Recyclable Material to any person lawfully engaged in business in the Franchise Area or to donate Recyclable Material to any bona fide charity, provided that all such Green Waste Recyclable Material is separated by the generator and the generator does not make a net payment to the buyer or donee.

3. **Term of Agreement**. The term of this Agreement shall commence on September 16, 2022 and, unless sooner terminated in accordance with the provisions of this Agreement, expire September 30, 2027. The parties may, but shall be under no obligation to, agree to extend the term of this Agreement for an additional period of five (5) years and on such other terms and conditions as they may agree in their sole discretion.

4. **WM Services**.

4.1. Collection Services. The scope of services to be performed by WM hereunder, including the collection schedule, special services provided to City and requirements pertaining to container supply and replacement, is further described in Exhibit A attached hereto. The services to be performed by WM as set forth in Exhibit A of this Agreement shall be accomplished in a professional manner so that the residents and businesses within the Franchise Area are provided reliable, courteous and high-quality collection of Garbage, Recyclable Materials, Green Waste and other Solid Waste.

4.2. Solid Waste Disposal. WM shall dispose of all Garbage at any permitted and licensed site or facility where such disposal is lawful, as selected by WM in its sole discretion.

4.3. Recyclable Materials Processing and Marketing. Recyclable Materials placed at the curbside for collection shall be deemed the property of WM and, thereafter, WM may

market or dispose of them in any manner WM deems to be economically feasible. WM shall be responsible for all marketing and sale of Recyclable Materials collected hereunder and shall be entitled to all proceeds therefrom. If permitted by applicable law, Recyclable Materials which are collected by WM may be disposed of in a landfill if WM has considered other alternatives and, after good faith efforts to locate a market, has determined that such disposal is the most economical means of handling Recyclable Materials.

4.4. Green Waste Processing and Marketing. Green Waste placed at the curbside for collection shall be deemed the property of WM and, thereafter, WM may market or dispose of them in any manner WM deems to be economically feasible. WM shall be responsible for all marketing and sale of Green Waste collected hereunder and shall be entitled to all proceeds therefrom. If permitted by applicable law, Green Waste which are collected by WM may be disposed of in a landfill if WM has considered other alternatives and, after good faith efforts to locate a market, has determined that such disposal is the most economical means of handling Green Waste.

5. **Collection Exclusions**. It is understood that WM is not authorized and is not required hereunder to collect and transport Unacceptable Waste or restricted or other waste that is not acceptable or permitted for disposal at a transfer station or disposal site. In addition, WM shall not be required to collect containers that are not set out or filled in accordance with, or do not meet the requirements as set forth in, Exhibit A hereto. Any services not set forth in Exhibit A shall be directly contracted for between WM and residents of the Franchise Area at rates to be determined by WM.

6. **Standards for Collection and Operation**.

6.1. Compliance with Law. WM shall comply with all laws and regulations applicable to WM's operations, including laws, ordinance, rules and regulations of the United States, the State of California, the City and the City and County of the location at which Solid Waste may be transported or disposed of hereunder.

6.2. Equipment. WM shall possess or demonstrate to the City's reasonable satisfaction that it has available to it adequate equipment and vehicles, including reserve or replacement vehicles and equipment, sufficient to perform the services required of WM herein. WM shall maintain all trucks and equipment used within the Franchise Area in good mechanical condition and the same shall be clean, numbered and uniformly painted.

6.3. Collection Operations. WM shall conduct its operation so as to minimize as practicable any obstruction and inconvenience to public traffic or disruption of the peace and quiet of the area within which collection occurs.

7. **Rates; Adjustments; Billing; Franchise Fee**.

7.1. Service Rate Schedule. WM shall provide the collection, disposal and processing services required under this Agreement for the rates set forth in the Service Rate Schedule attached

hereto and incorporated herein as Exhibit B (the "Service Rates"), as the same may be adjusted in accordance with this Section.

7.2. CPI Adjustment. Commencing on September 16, 2023, and on the same date annually thereafter (the "Adjustment Date"), the Service Rates, as adjusted hereunder, shall be automatically increased by a percentage equal to the percent change in the average Consumer Price Index for All Urban Consumers: Water and sewer and trash collection services ("CPI"), as published by the Bureau of Labor Statistics, by comparing the percentage change from the next previous annual average of the CPI (for the 12 month period ending May 31st) to the previous annual average of the CPI for the same period. At least thirty (30) days prior to the Adjustment Date, WM shall notify the City of the CPI adjustment to take effect on the Adjustment Date and shall provide the City with its computations therefor. Adjustments to the Service Rates shall be made in units of one cent ($0.01). Fractions less than one cent ($0.01) shall not be considered when making adjustments.

7.3. Rate Review and Adjustment. The Service Rates are calculated to pay certain expenses and costs that are of a contingent and uncertain nature. Therefore, in addition to the CPI adjustment provided by Section 7.2, the Service Rates shall, upon written request of WM, be further adjusted for increased expenses or lost revenue associated with performance of the services hereunder due to any one or more of the following causes:

7.3.1. any change in law, statute, rule, regulation, ordinance, order or requirement of any federal, state, regional or local government that is effective after the Effective Date of this Agreement;

7.3.2. changes in disposal or processing methods or sites mandated by any political body which may now or in the future have legal jurisdiction;

7.3.3. any Fuel Adjustment pursuant to Section 7.5; or

7.3.4. any other causes or reasons that are not within the reasonable control of WM.

WM shall submit to City a written request for a Service Rate adjustment, including a report detailing the increased expenses associated with performance of the services hereunder due to any of the above enumerated causes. Within thirty (30) days after WM provides the City with such request and report, the City shall notify the WM in writing as to whether the City accepts such information as complete or specifying any respect in which the City deems such information incomplete or deficient. Failure of the City to so notify the WM within such 30-day period shall constitute acceptance by the City of such information as complete, which deemed acceptance shall be effective as of such 30th day. City's staff shall review such information and complete all its deliberations in connection therewith within forty-five (45) days from the date of acceptance or deemed acceptance by the City of the request and report. Not later than the next regularly scheduled meeting of the City Council following the end of such 45-day period, the matter of Service Rate adjustments hereunder shall be placed on the City Council agenda for approval. As so approved, the rate

adjustment shall go into effect no later than ninety (90) days after WM's submission of the rate adjustment request and report. If the Service Rate adjustment is not approved and effective within ninety (90) days or by the required pass-through date, or if the City approves an adjustment less than that sought by WM, WM may submit the matter to arbitration as provided in Section 10. The City will not unreasonably withhold rate adjustment requests for which proper support and calculations are provided.

7.4. Billing and Payment. WM shall bill customers for all services provided pursuant to Exhibit A, and WM shall be solely responsible for collection of such amounts. WM's standard billing policies shall apply (e.g., late fees, customers responsible for collection costs incurred by WM, etc.). WM may discontinue services to customers that are more than 90 days delinquent on a WM invoice. In such event, WM will notify the City and City will pursue enforcement of its code requirements; WM's exclusive rights with respect to such customers shall continue to apply.

7.5. Fuel Adjustment. On each Adjustment Date, there will be a Fuel Adjustment calculated by the following formula:

(1 + [(Fuel Cost Change - CPI Change) x Fuel Percentage]) x Old Rate = New Rate

This rate increase shall be in addition to, and not in lieu of, any other rate increase to which WM may be entitled under this Agreement. The terms used in the preceding formula shall have the following meanings:

"Fuel Cost Change" means the average price for California No. 2 diesel fuel for the 12-month period ending the previous May 31 divided by such average price for the for the 12-month period ending the next previous May. The price used to compute the Fuel Cost Change shall be the price reported by the United States Department of Energy, Energy Information Administration. In the event that price is no longer reported, the parties will designate a new methodology for determining the price based on comparable data.

"CPI Change" means the average CPI index for the most recent 12 month period June through May divided by such average price for the preceding twelve month period June through May.

"Fuel Percentage" means WM's total cost for diesel fuel incurred during the most recent 12 month period June through May divided by WM's total operating revenue for such 12 month period, in both cases calculated for WM's operations district that includes the City of Biggs.

"Old Rate" means each of the Service Rates on Exhibit B, as they may have been previously adjusted or amended.

"New Rate" means the new Service rate calculated pursuant to the preceding formula that will replace the Old Rate. Exhibit B shall be deemed to be amended to reflect the New Rate without any further action required by the parties.

Fuel Adjustments shall be in addition to, and not in lieu of, any other rate adjustments under this Agreement. Under no circumstances may a Fuel Adjustment reduce a Service Rate set forth in Exhibit B, as adjusted pursuant to Sections 7.2(a), 7.3(a), 7.3(b) and 7.3(d).

7.6. Franchise Fee. As consideration for the franchise granted herein and to compensate for the administrative cost of such franchise, WM shall pay to the City on or before the 25th day of each month an amount of 10% of WM's Adjusted Gross Revenues Collected from customers during the preceding month. The term "Adjusted Gross Revenues Collected" means any and all revenue or compensation actually collected by WM from customers under this Agreement for the exclusive collection, transportation, processing, recycling and disposal of Garbage, Recyclable Materials, and Green Waste within the City, in accordance with Generally Accepted Accounting Principals (GAAP), net of Franchise Fees and bad debt (i.e., invoices more than 90 days delinquent). The term Adjusted Gross Revenues, for purposes of this Agreement, shall not include any: a) revenues generated from non-exclusive services performed by Contractor, unless third parties who are free to compete for such services with Contractor are also required by the City to pay the Franchise Fee; b) City, or other federal, state, or local taxes or surcharges; c) any customer late fees, NSF charges, interest, or reactivation charges; or d) any revenues generated from the sale of Recyclable Materials or any recycling rebates received from the State.

8. **Default; Termination**.

8.1. Default. In the event of any material failure or refusal of a party to comply with any obligation or duty imposed on it under this Agreement, the other party shall give written notice to the party in breach specifying that a particular default or defaults exist which will, unless corrected, constitute a material breach of this Agreement.

8.2. Termination. If the breaching party fails to correct such default or fails to take reasonable steps to correct the same within thirty (30) days from the date of the notice given, the other party, in its sole discretion, shall have the option to terminate the Franchise and the privileges granted herein. Upon the declaration of termination of this Agreement, this Agreement shall be of no further force and effect unless the parties agree to terminate only a portion of the services set forth herein and maintain the remainder of the Agreement.

8.3. Force Majeure. The performance of this Agreement may be discontinued or temporarily suspended in the event of Force Majeure. WM shall not be deemed to be in default and shall not be liable for failure to perform under this Agreement if WM's performance is prevented or delayed by Force Majeure.

9. **Indemnity**.

9.1. WM shall defend, indemnify and hold harmless City and its employees, agents, appointed and elected officials (collectively, "Indemnitees"), from and against any and all liabilities, penalties, fines, forfeitures, demands, claims, causes of action, suits, judgments and costs and expenses incidental thereto, including reasonable attorneys' fees, (collectively, "Damages") which any or all of the Indemnitees may hereafter suffer, incur, be

responsible for or pay out with respect to claims by third parties for personal injury, property damage or other loss to the extent caused by, or arising from or in connection with the negligent actions or omissions or willful misconduct of WM, its employees, officers, owners, directors, agents or subcontractors, in the performance of this Agreement, except such loss or damage which was caused by the negligence or willful misconduct of the City. The extent of WM's liability under this Section shall not exceed the amount of WM's proportionate share of fault.

9.2. Hazardous Substances Indemnification. WM shall indemnify, defend with counsel reasonably acceptable to the City, and hold harmless the Indemnitees from and against all claims, damages (including but not limited to special, consequential, natural resources and punitive damages), injuries, hazardous materials response, remediation and removal costs, losses, demands, liens, liabilities, causes of action, suits, legal or administrative proceedings, interest, fines, charges, penalties, attorney's fees for the adverse party and expenses (including but not limited to attorney's and expert witness fees and costs incurred in connection with defending against any of the foregoing or enforcing this indemnity) of any kind whatsoever paid, incurred or suffered by, or asserted against City or its officers, officials, employees, agents, assigns, or successors (collectively, "Claims") arising from or attributable to any repair, cleanup or detoxification, or preparation and implementation of any removal, remedial, response, closure or other plan (regardless of whether undertaken due to governmental action) concerning any Hazardous Waste released, spilled or disposed of by WM under this Agreement. The foregoing indemnity is intended to operate as an agreement pursuant to Section 1838 107(e) of CERCLA, 42 U.S.C. Section 9607(c) and California Health and Safety Code Section 25364, to defend, hold harmless and indemnify the City from liability. Notwithstanding the foregoing, WM is not required to indemnify, defend or hold harmless under this paragraph against Claims arising from WM's delivery of materials collected under this Agreement to any processing, disposal, transfer or other facilities that is not owned or operated by WM, or their handling at such facilities or subsequent delivery to other locations, unless such Claims are due to WM's negligence or willful misconduct.

9.3. CalRecycle Diversion Goals. WM agrees to indemnify, hold harmless, and defend City, with counsel selected by WM and reasonably acceptable to City, from and against all fines or penalties imposed by the California Department of Resources Recycling and Recovery ("CalRecycle") due to City's failure to meet the mandated diversion goals specified in California Public Resources Code Section 41780 (as amended) with respect to the materials collected by WM, if and to the extent the failure to meet such goals results from the failure of the WM to perform its obligations under this Agreement.

10. **Insurance**.

10.1. Minimum Limits of Insurance. WM shall procure and maintain for the duration of the Agreement insurance of the following types:

10.1.1. Commercial General Liability: Commercial General Liability Insurance (including bodily injury and property damage) with limits of not less than Two Million Dollars ($2,000,000) per occurrence with an aggregate of Five Million Dollars ($5,000,000).

10.1.2. Automobile Liability: Comprehensive Automobile Liability Insurance with limits for bodily injury of not less than One Million Dollars ($1,000,000). Coverage shall include owned and non-owned vehicles used in connection with the Agreement, endorsed to delete paragraph A of the Pollution exclusion (or, alternatively, include a CA 9948 endorsement).

10.1.3. Worker's Compensation: A policy of Worker's Compensation insurance as may be required by the California Labor Code.

10.2. Other Insurance Provisions. The policies are to contain, or be endorsed to contain, the following provisions:

10.2.1. City, its officers, officials, employees and volunteers are to be covered as additional insureds with respect to the Commercial General Liability policy and the Automobile Liability policy.

10.2.2. Coverage shall not extend to any indemnity coverage for the negligence of the additional insured in any case where an agreement to indemnify the additional insured would be invalid under Subdivision (b) of Civil Code Section 2782.

10.3. Verification of Coverage. WM shall furnish City with certificates evidencing coverage required by this Section 10.

11. Dispute Resolution; Attorneys' Fees. In the event of a dispute arising under this Agreement, the parties shall continue performance of their respective obligations under this Agreement and shall attempt to resolve such dispute in a cooperative manner. In the event of any litigation to interpret or enforce the terms of this Agreement, the prevailing party shall be entitled to its reasonable attorneys' fees and costs from the losing party, at trial and on appeal. Venue for any action arising out of or enforcing the terms of this Agreement shall be laid in Butte County, California.

12. Assignment. WM shall not assign its rights nor delegate or otherwise transfer its obligations under this Agreement to any other person or corporate entity without the prior written consent of the City, which consent shall not be unreasonably delayed or withheld. Notwithstanding the foregoing, WM shall have the right, without seeking or obtaining approval or authority from the City, to assign or transfer this Agreement to any affiliate of WM or its parent corporation.

13. Change in Law. In the event that new or amended local, state or federal laws, rulings or regulations are enacted after the Effective Date of this Agreement and have the effect of preventing or precluding compliance with one or more provisions of this Agreement, such provisions of this Agreement shall be modified or suspended as may be necessary to comply with such new or amended local, state or federal laws or regulations, and the City and WM shall enter into an amendment of this Agreement that reflects the extent to which the provisions hereof have been so modified or suspended. Notwithstanding the foregoing, should WM, by force of any such law, ruling or regulation, at any time during the term hereof, be ordered or

required to do any act relative to this Agreement which substantially impairs or materially changes WM's ability to perform under this Agreement, then WM may notify the City in writing of this condition and may terminate this Agreement upon providing at least sixty (60) days' advance written notice of termination to the City. Nothing in this Agreement shall prohibit WM from obtaining or seeking to obtain modification, reversal or repeal of such law, ruling or regulation or restrict WM's right to legally contest the validity of such law, ruling or regulation. WM shall not be considered in breach of this Agreement during such time as WM is contesting or appealing any notice of violation, ordinance, rule, regulation, ruling or law.

14. Waiver. No waiver of any right or obligation of either Party hereto shall be effective unless in writing, specifying such waiver, executed by the party against whom such waiver is sought to be enforced. A waiver by either party of any of its rights under this Agreement on any occasion shall not be a bar to the exercise of the same right on any subsequent occasion or of any other right at any time.

15. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

16. Amendment. This Agreement may be amended, altered or modified only by a writing, specifying such amendment, alteration, or modification, executed by authorized representatives of both of the Parties hereto.

17. Complete Agreement. This writing constitutes the full and complete agreement and understanding between WM and the City regarding the subject matter hereof. All previous agreements regarding the same are hereby superseded.

[Signatures on following page]

IN WITNESS WHEREOF, this Agreement is effective as of the last date set forth below.

CITY OF BIGGS

By: _____
Name: _____
Title: _____

Mark Sorensen
City Administrator
City of Biggs, CA
07-13-2022

USA WASTE OF CALIFORNIA, INC.

By: _____
Barry Skolnick, President

EXHIBIT A

SCOPE OF SERVICES

1. **Garbage**.

1.1. Single-family residences: WM will provide one 32-gallon cart to each single-family residence for temporary storage and curbside placement of Garbage; such containers will be serviced weekly. Additional and larger carts are available for a fee (See Exhibit B). Carts in service prior to the Effective Date of this Agreement may continue to be used. Carts must be placed by customers within 5 feet of a public right of way, or other location agreed upon by WM which WM seems safe for WM's vehicles and employees (in which case, additional fees may apply). For purposes of this Agreement, "single-family residences" include each dwelling unit on a parcel of real property on which four or fewer dwelling units are located.

1.2. Commercial locations: WM will provide one or more containers (carts, bins, or roll-offs) to each commercial location in the Franchise Area for temporary storage and placement for collection of Garbage. The size and number of containers, and frequency of service, will be determined by WM and the customer, although service must be at least once per week. Rates for various service levels are in Exhibit B. Containers in service prior to the Effective Date of this Agreement may continue to be used. For purposes of this Agreement, "commercial locations" include parcels of real property on which 5 or more dwelling units are located.

2. **Recyclable Materials**.

2.1. Single-family residences: WM will provide one 64-gallon cart to each single-family residence for temporary storage and curbside placement of Recyclable Materials; such containers will be serviced every other week. A second 64-gallon cart will be available upon request at no cost; additional and larger carts are available for a fee (See Exhibit B). Carts in service prior to the Effective Date of this Agreement may continue to be used. Carts must be placed by customers within three 5 feet of a public right of way, or other location agreed upon by WM which WM seems safe for WM's vehicles and employees (in which case, additional fees may apply).

2.2. Commercial locations: Subject to Section 2.2.1 below, WM will provide one or more containers (carts, bins, or roll-offs) to each commercial location in the Franchise Area for temporary storage and placement for collection of Recyclable Materials. The size and number of containers, and frequency of service, will be determined by WM and the customer. Containers in service prior to the Effective Date of this Agreement may continue to be used. Up to two 64-gallon carts will be provided and serviced every other week at no cost to the customer. Additional or larger containers, or more frequent service, will be available for a fee (See Exhibit B).

2.2.1. AB 341 requires that the following types of properties arrange for recycling

services: (a) businesses that generate four cubic yards or more of solid waste per week, and (ii) multifamily properties with five dwelling units or more. The City has not yet developed or adopted an implementing revision to the municipal code to address this AB 341 requirement. Until it does, commercial and multi-family properties in the City may subscribe for recycling services from WM. WM and the City will cooperate in developing measures related to implementation of AB 341 and agree to modify these commercial and multi-family recycling requirements as necessary to assure successful implementation of AB 341.

3. **Green Waste**.

3.1. Single-family residences: WM will provide one 96-gallon cart to each single-family residence for temporary storage and curbside placement of Green Waste; such containers will be serviced every other week. A second 96-gallon cart will be available upon request at no cost; additional and larger carts are available for a fee (See Exhibit B). Carts in service prior to the Effective Date of this Agreement may continue to be used. Carts must be placed by customers within 5 feet of a public right of way, or other location agreed upon by WM which WM seems safe for WM's vehicles and employees (in which case, additional fees may apply).

3.2. Commercial locations: For subscribing customers, WM will provide one or more containers (carts, bins, or roll-offs) to each commercial location in the Franchise Area for temporary storage and placement for collection of Green Waste. The size and number of containers, and frequency of service, will be determined by WM and the customer. Containers in service prior to the Effective Date of this Agreement may continue to be used. Fees for such services are in Exhibit B.

3.3. SB 1383. The City has received an exemption from CalRecycle regarding the requirements of SB 1383. If and when such exemptions no longer apply, or the City elects to implement a mandatory organic waste collection program for residential and commercial properties, WM and the City will work in good faith to modify this Agreement, including additional compensation to WM regarding additional costs related to such mandatory collection program.

4. **City Service**.

4.1. City Facilities. WM will provide the following services at no cost to the City:

4.1.1. Seventh Street Yard at the comer of 7th & Bannock St: One 20-yard Roll Off for Green Waste (seasonal) and one 20-yard Roll Off for Garbage.

4.1.2. City Hall, 3016 6th Street: One 96-gallon Cart for Garbage, two 64-gallon Cars for Recyclable Materials, and one 96-gallon Cart for Green Waste.

4.1.3. Public Works, 2865 W. Biggs Gridley Road: Three 2-yard Bins for Garbage.

4.1.4. Community Hall, 280 B Street: One 3-yard Bin for Garbage.

5. **Additional Services**.

5.1. On-Call Bulky Item Pickup.

5.1.1. "Bulky Items" mean large household items that do not properly fit in the customer's cart, or bundled or bagged Solid Waste, that do not exceed four feet by four feet by two feet (4'x4'x2') and weigh no more than 75 pounds, which are attributed to the normal activities of a single-family residence. Such materials may include furniture, area and floor rugs properly prepared (cut and bundled), mattresses, appliances, bagged clothing, and tires without rims. Bulky Goods exclude any Unacceptable Materials.

5.1.2. WM will provide one free collection of Bulky Items per Agreement year to each single-family residence, on an on-call basis, and limited to 3 cubic yards per collection. Additional Bulky Item services will be provided for a fee and upon terms determined by WM. Regarding multi-family complexes (i.e., five or more dwelling units on a parcel), once per Agreement year and at no cost to the customer, WM will provide one 40-yard roll-off container into which residents may place Bulky Items.

5.2. Temporary Roll-Off Services. WM will, and has the exclusive right to, provide collection and disposal or processing of construction and demolition debris and other Solid Waste from residential and commercial locations in the Franchise Area which is not collected as part of the recurring Garbage, Recyclable Material, or Green Waste collection services hereunder. Such temporary services include the delivery of roll-off containers to the customer location and the collection and disposal or processing of Solid Waste placed therein. The rates for such service are set forth in Exhibit B.

5.3. Christmas tree recycling. During a designated period (first working day following Christmas - third Saturday in January), Christmas trees will be collected curbside. Trees need to cut to 3- foot sections. Additionally, on the first business day following December 25 and through the third Saturday of January, WM will provide and service (once per week) one 20-yard roll-off container into which residents of the City may place Christmas trees. This service is also described in Section 4.1.1 above.

5.4. Annual Cleanup Event.

5.4.1. Once a year, WM will provide an Annual Cleanup Event for residential properties within the City. Material collected in the event will be wood, yard waste (green waste), white goods (appliances without Freon), metal, bulky items and other materials that are not Unacceptable Waste. In addition, WM shall coordinate with Butte County to provide for the collection of motor oil, antifreeze, car batteries and tires at the Annual Cleanup Event, but in no event shall WM take title to any such materials or have any responsibility for the handling, transportation or disposal thereof. The Cleanup Event will be held one Saturday in September or October at a

single location to be designated by WM. Residents will be required to show proof of residency in the City and there will be a 4 yard limit on materials. For materials delivered in a pickup truck, the limit shall be the cab roof line.

5.4.2. Vouchers. WM will provide each dwelling unit receiving residential services with one transfer station voucher. The voucher will entitle a resident of that dwelling unit to dispose at no cost of up to 3 cubic yards of Solid Waste at the Ord Ranch Road Transfer Station during January through December. To be valid, the voucher must be presented upon entrance to the transfer station together with a copy of the resident's utility bill demonstrating proof of residence in the City.

5.5. On-Premises Collection Services.

5.5.1. On-Premises Collection Service - Subscription. A single-family residence may subscribe for on-premises collection service, where Garbage, Recyclable Materials, and Green Waste carts are collected from a side-yard, backyard, or other off-street location agreed upon by WM and the customer. WM may charge for on-premises collection at the rates as set forth in Exhibit B. WM will not be required to provide this service where conditions would, in WM's reasonable opinion, create a risk of injury to WM employees.

5.5.2. On-Premises Collection Service - Physical Disability. If all adults residing in a single-family residence have disabilities that prevent them from being physically able to place Garbage, Recyclable Materials, or Green Waste Carts at the curb for collection, they shall receive on-premises collection service, where all Garbage, Recyclable Materials, and Green Waste carts are collected from a side-yard, backyard, or other off-street location agreed upon by the WM and the customer. WM shall provide this service at the curbside collection rates as set forth in Exhibit B. WM may require proof of disability. Notwithstanding the above, WM will not be required to provide this service where conditions would, in WM's reasonable opinion, create a risk of injury to WM employees.

6. **Disposal Sites**. The City shall have the right to select the disposal site (not processing sites) for Solid Waste. Should a change in disposal site required by the City increase or decrease the WM's transportation, processing, disposal and/or other costs, WM's rates shall be adjusted by the City as described in Section 7.3 of the Franchise Agreement.

7. **Overage**.

7.1. WM has an obligation to offer customers the correct combination of container capacity that matches each customer's unique service needs to enable clean, efficient, and cost-effective collection of Garbage, Recyclable Materials, and Green Waste. The City and WM agree that overflow of materials that are not properly in the customer's container(s) may negatively impact public health and safety. WM may conduct audits by various means and provide outreach and support to customers to ensure they receive the correct service level. However, in the event that a customer is found to habitually overflow their

container(s), WM may take the steps as listed below to correct the customer's on-going overflow of materials.

7.2. Overage definition. "Overage" means excess Garbage, Recyclable Materials or Green Waste placed inside or on top of the applicable container that either (i) lifts the container lid by 6" or more (or would lift by 6" or more if the lid was closed), or (ii) results in some manual collection of Garbage, Recyclable Materials, or Green Waste by WM's personnel.

7.3. Prior arrangements for collection. If the customer has made prior arrangements with WM for collection of Overages, WM shall collect such Overages as arranged, and may charge the customer the Overage charge (prior arrangement) rate set forth in Exhibit B.

7.4. No prior arrangements for collection. If the customer has not made prior arrangements with WM for collection of Overage, WM shall do one of the following: (a) collect such Overage at no additional charge as a courtesy, (b) collect such Overage pursuant to the procedure outlined Section 7.4(1) below, or (c) not collect the Overage and leave a tag explaining the reason for non-collection.

7.4.1. Overage charges.

7.4.1.1. First and second occurrence. For the first and second occurrence of Overage during an Agreement year (i.e., each 12 month period from September 16 – following September 15) where WM collects the Overage, it will provide the following written notice (via e-mail, U.S. mail, or in person (which may be by container tag)) to the customer: (i) the date, description and photograph of the Overage, (ii) that on the third and subsequent incidents of Overage in the Agreement year, the customer may be charged an Overage fee, and (iii) that upon the fifth occurrence of Overage in the Agreement year, the container size or collection frequency may be increased and charged at a higher Service Rate.

7.4.1.2. Third and fourth occurrence. For the third and fourth occurrence of Overage during an Agreement year where WM collects the Overage (up to two lifts), it will provide the notice described in Section 7.4.1.1 above, and may charge the customer an Overage fee as set forth in Exhibit B. WM's representative shall also contact the customer by phone, U.S. mail e-mail or in person (which may be by container tag) to encourage the customer to have the appropriate level of service.

7.4.1.3. Fifth and subsequent occurrence. For the fifth and subsequent occurrence of Overage during an Agreement year where WM collects the Overage (up to two lifts), it will provide the notice described in Section 7.4.1.1 above, may charge the customer an Overage fee as set forth in Exhibit B, and may increase the container capacity or collection frequency of the container to match documented service needs and charge the applicable Service Rate in Exhibit B. At least 15 days prior to increasing the container size or frequency of collection, WM's representative shall also contact the customer by phone, U.S. mail, e- mail

or in person (which may be by container tag) to ensure that customer has the appropriate level of service. WM shall notify City within five (5) work days of any changes in customer's container size or collection frequency. The increased capacity or collection frequency shall remain in effect until WM determines that it is no longer needed to prevent Overages, which may be longer than the 12-month period stated above. Such determination shall be in WM's sole but reasonable discretion, and shall be subject to the dispute resolution procedure set forth below.

7.5. Tracking occurrences of Overage. Regarding Section 7.4.1, after the last day of each Agreement year, the next Overage occurrence shall be deemed a first Overage occurrence.

7.6. Disputes over Overage charges. If a customer disputes an Overage charge or size or collection frequency change (must be within 30 days of the disputed action), WM shall temporarily halt the Overage charge and/or increased Service Rate resulting from increasing the container size or collection frequency, and WM may request a ruling by the City Manager to resolve the dispute. A request by WM to the City Manager to rule on any such dispute must be filed within 15 calendar days of WM's halting of the Overage charge, or increased Service Rate, and must include written documentation and digital/visual evidence of ongoing overall problems. The City Manager may request a meeting (in person or phone) with both the customer and WM to resolve the dispute. Following such a meeting, the City Manager will rule on the dispute within 15 calendar days, and the City Manager's decision on resolving the dispute between the WM and customer shall be final. If the City Manager rules in favor of the customer, WM shall credit the disputed charge or increased Service Rate. If the City Manager rules in favor of WM, WM may charge the customer the prior halted Overage charge and/or increased Service Rate resulting from increasing the Container size or collection frequency.

8. **Contamination**.

8.1. Contamination definition. "Contamination" means (a) regarding a Garbage container, any amount of Green Waste, Recyclable Materials or Unacceptable Waste, (b) regarding a Recyclable Materials container, any amount of Unacceptable Waste or an amount of non-Recyclable Materials that is 5% or more of the container's capacity, and (c) regarding a Green Waste container, any amount of Unacceptable Waste or an amount of non-Green Waste that is 5% or more of the container's capacity.

8.2. Regarding containers with Contamination, WM may: (a) collect such container at no additional charge as a courtesy, (b) collect such container pursuant to the procedure outlined Section 8.2.1 below, or (c) not collect such container and leave a tag explaining the reason for non-collection.

8.3. Contamination charges where WM collects a Contaminated Recyclable Materials or Green Waste container.

8.3.1. First and second occurrence. For the first and second occurrence of Contamination

during an Agreement year where WM collects the Contaminated container, it will provide the following written notice (via e-mail, U.S. mail, or in person (which may be by container tag)) to the customer: (i) the date, description and photograph of the Contamination, (ii) that on the third and subsequent incidents of Contamination in the Agreement year, the customer may be charged an Contamination fee, and (iii) that upon the fifth occurrence of Contamination in the Agreement year, WM may discontinue service for such container.

8.3.2. Third and fourth occurrence. For the third and fourth occurrence of Contamination during an Agreement year where WM collects the Contaminated container, it will provide the notice described in Section 8.3.1 above, and may charge the customer a Contamination fee as set forth in Exhibit B. WM's representative shall also contact the customer by phone, U.S. mail e-mail or in person (which may be by container tag) to encourage the customer to not contaminate containers.

8.3.3. Fifth and subsequent occurrence. For the fifth and subsequent occurrence of Contamination during an Agreement year where WM collects the Contaminated container, it (a) will provide the notice described in Section 8.3.1 above, (b) may charge the customer a Contamination fee as set forth in Exhibit B, (c) may increase the Garbage container capacity or collection frequency and charge the applicable Service Rate in Exhibit B, and (d) may suspend the applicable Recyclable Materials or Organic Waste service. At least 15 days prior to increasing the container size or frequency of collection, or suspending service, WM's representative shall attempt to contact the customer by phone, U.S. mail, e- mail or in person (which may be by container tag) to ensure that customer has the appropriate level of service. WM shall notify City within five (5) work days of any changes in customer's container size or collection frequency or suspending service. Such service changes shall remain in effect until WM determines that it is no longer needed to prevent Contamination, which may be longer than the 12-month period stated above. Such determination shall be in WM's sole but reasonable discretion, and shall be subject to the dispute resolution procedure set forth in Section 7.6.

8.4. Tracking occurrences of Contamination. Regarding Section 8.3, after the last day of each Agreement year, the next Contamination occurrence shall be deemed a first Contamination occurrence.

9. **Reporting**.

9.1. Quarterly Reports. Within 45 days of the end of each calendar quarter, WM shall provide the City with report on:

9.1.1. Garage, Recyclable Materials and Green Waste collected under this Agreement in the previous calendar quarter. All tonnage data should be compared to the corresponding tonnage data from the prior year comparable period.

9.1.2. Documentation stating and supporting the quarter's diversion rate. The diversion

rate will be calculated as follows: (Recyclable Materials collected + Green Waste collected + other materials collected and delivered to a MRF or other processing facility) / Total materials collected under this Agreement. It shall be a goal of WM to achieve an annual diversion rate of 25%.

9.2. Customer Service Data. Upon request by the City (but not more often than annually), WM will provide a copy of the customer service log and a summary of significant problems encountered and actions taken.

9.3. Other Reports. WM will provide additional reports reasonably necessary for City to determine WM's compliance with this Agreement. However, such additional reporting will not cost WM more than $1,000 per Agreement year (including WM's labor and other costs); otherwise, City will be required to reimburse WM to the extent such costs exceed $1,000 per Agreement year.

EXHIBIT A

RECYCLABLE MATERIALS SPECIFICATIONS

"Recyclable Materials" means the materials on the "Statewide Recyclable List" published by the California Statewide Commission on Recycling Markets and Curbside Recycling. The July 1, 2021 list of materials is provided below:

California (CA) Statewide Recyclable List
15 Consumer Item types met the criteria requirements across the state and are recyclable statewide:

Paper Products (8):
1. Mail
2. Paper Mailing Pouches
3. Kraft Bags
4. Magazines
5. Newspaper
6. OCC (old corrugated cardboard)
7. Home Office Paper
8. Paperboard Boxes (e.g. cereal, tissue, not coated)

Glass (2):
9. Bottles
10. Jars

Metal (2):
11. Aluminum cans
12. Steel cans

Plastic (3):
13. #1 PET Bottles (Screw-type narrow neck tops – no non-recyclable shrink sleeves or other non-recyclable components)
14. #2 HDPE Bottles – Natural (Narrow necks – includes jugs – no non-recyclable shrink sleeves or other non-recyclable components)
15. #2 HDPE Bottles – Color (Narrow necks – includes jugs – no non-recyclable shrink sleeves or other non-recyclable components)

Additionally, Recyclable Materials may not be bagged, have excess moisture, or be contaminated with non-Recyclable Materials.

EXHIBIT B

SERVICE RATE SCHEDULE

[ADD RATE SHEET]

CITY OF BIGGS
RESIDENTIAL RATE SHEET
Effective September 16th, 2022

Rate Adj.
6.50%

Residential Services	Current Rate	CPI Adj	New Rate Eff 9/1/2022
Basic - 35g Trash, 64g Recycling, 96g Yard Waste	$21.61	$1.40	$23.01
64 gal. Trash, 64 gal. Recycling, 96 gal. Yard Waste	$28.73	$1.87	$30.60
96 gal. Trash, 64 gal. Recycling, 96 gal. Yard Waste	$35.32	$2.30	$37.62
Additional 35 Gal Trash Carts			$11.50
Additional 64 Gal Trash Carts			$15.29
Additional 96 Gal Trash Carts			$18.80
First Add'l Recycling cart	$0.00	$0.00	$0.00
First Add'l Yard Waste cart	$0.00	$0.00	$0.00
additional recycling carts (3+)	$3.09	$0.20	$3.29
additional yard waste carts (3+)	$3.09	$0.20	$3.29

Ancillary Rates	Current Rate	CPI Adj	New Rate Eff 9/1/2022
On-premise collection (each cart) if not placed at curb, sidewalk, or gutter - 0-10 Feet	$0.00	$0.00	$0.00
On-premise collection (each cart) if not placed at curb, sidewalk, or gutter - 11-25 Feet	$5.76	$0.37	$6.13
On-premise collection (each cart) if not placed at curb, sidewalk, or gutter - 26-50 Feet	$11.54	$0.75	$12.29
On-premise collection (each cart) if not placed at curb, sidewalk, or gutter - 51-100 Feet	$17.31	$1.13	$18.44
On-premise collection (each cart) if not placed at curb, sidewalk, or gutter - 101+ Feet	$24.96	$1.62	$26.58
Residential Overage Charge per incident after 2nd notice[1]	$7.69	$0.50	$8.19

CITY OF BIGGS
COMMERCIAL AND ROLL OFF RATE SHEET
Effective September 16th, 2022

Rate Adj.
6.50%

Commercial Cart Rates	Current Rate	CPI Adj	New Rate Eff 9/16/2022
MSW			
64 gallon MSW	$75.68	$4.92	$80.60
96 gallon MSW	$79.13	$5.14	$84.27
Recycle			
64 gallon recycle	$35.45	$2.30	$37.75
additional 64 gallon recycle	$4.83	$0.31	$5.14
Green Waste			
96 gallon green waste	$44.45	$2.89	$47.34
additional 96 gallon green waste	$13.68	$0.89	$14.57

*Recycling Cart and Green Waste Service are Scheduled Every Other Week.

Commercial Bin Rates	Current Rate	CPI Adj	New Rate Eff 9/16/2022
MSW			
2 yard MSW	$133.89	$8.70	$142.59
3 yard MSW	$158.59	$10.31	$168.90
4 yard MSW	$183.89	$11.95	$195.84
6 yard MSW	$234.92	$15.27	$250.19
Recycle			
2 yard Recycle	$83.07	$5.40	$88.47
3 yard Recycle	$88.36	$5.74	$94.10
4 yard Recycle	$94.90	$6.17	$101.07
6 yard Recycle	$107.44	$6.98	$114.42

Roll Off Rates	Current Rate	CPI Adj	New Rate Eff 9/16/2022
10 Yard (Concrete Only)	$273.78	$17.80	$291.58
20 yard MSW	$219.01	$14.24	$233.25
30 Yard MSW	$283.43	$18.42	$301.85
40 Yard MSW	$356.51	$23.17	$379.68
Inactivity Charge Per Day after 10 days			$10.00

Ancillary Rates	Current Rate	CPI Adj	New Rate Eff 9/16/2022
Bin Push Charges - Per Container Per Occurrence - 0-10 Feet[1]	$0.00	$0.00	$0.00
Bin Push Charges - Per Container Per Occurrence - 11-25 Feet[1]	$1.32	$0.09	$1.41
Bin Push Charges - Per Container Per Occurrence - 26-50 Feet[1]	$2.66	$0.17	$2.83
Bin Push Charges - Per Container Per Occurrence - 51-100 Feet[1]	$3.98	$0.26	$4.24
Bin Push Charges - Per Container Per Occurrence - 101+ Feet[1]	Determined by Contractor	N/A	Determined by Contractor
Extra Pickup - 2 yard			$107.93
Extra Pickup - 3 yard			$114.01
Extra Pickup - 4 yard			$120.23
Extra Pickup - 6 yard			$132.78
Setup Charge / Activation Charge			$50.00
Account Resume/Reactivation Charge			$50.00
Lock/Enclosure Charge - per service / per month			$5.00
Lost / Damaged Carts			$85.00
Late Payment Fee			Greater of 2.5% OR $5.00
Returned Check Fee			$35.00
Commercial Cart Overage Charge per incident after 2nd notice - no prior arrangement[2]			$15.00
Commercial Bin Overage Charge per incident after 2nd notice - no prior arrangement[2]			$80.00
Commercial Cart Contamination - Charge per incident after 2nd notice - no prior arrangement			$16.00
Commercial Bin Contamination - Charge per incident after 2nd notice - no prior arrangement			$50.00

1) Contractor reserves the right to decline push service due to excessive weight, extremely uneven surfaces, or other conditions which pose a hazard to CONTRACTOR personnel.

2) Overage is defined by excess materials that either increases the capacity of the container by ten percent or more by weight or volume, or results in some manual collection of materials.